

Message Text

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TAGS: ETRD, GATT

SUBJECT: EC-CYPRUS ASSOCIATION--U.S. QUESTIONS

REF: GENEVA 4034

I. ARTICLES 1 AND 2

A) IS IT THE INTENTION OF THE PARTIES TO THIS
AGREEMENT TO ACHIEVE A CUSTOMS UNION AS DEFINED IN ARTICLE
XXIV OF THE GENERAL AGREEMENT?

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B) WHAT IS THE PLAN AND SCHEDULE FOR THE CUSTOMS

UNION TO BE PROVIDED IN ACCORDANCE WITH ARTICLE XXIV:5(C)
OF THE GENERAL AGREEMENT?

C) TO WHAT EXTENT AND IN WHAT WAY CAN IT BE CON-
SIDERED THAT "SUBSTANTIALLY ALL THE TRADE" WITHIN THE
MEANING OF ARTICLE XXIV WILL BE EXEMPT FROM CUSTOMS DUTIES
AND FREE FROM RESTRICTIVE REGULATIONS AT THE END OF THE
PLAN?

D) IF A PLAN AND SCHEDULE CAN NOT BE PROVIDED, IS
THE CURRENT AGREEMENT THEN PRESENTED AS A REQUEST FOR AN
ARTICLE XXV WAIVER PENDING CONCLUSION OF NEGOTIATIONS
BETWEEN THE PARTIES ON THE ELIMINATION OF SUBSTANTIALLY
ALL TRADE BARRIERS BETWEEN THE EC AND CYPRUS?

E) WHAT IS THE SPECIFIC EXPERIENCE IN EXISTING
EC TRADE ASSOCIATIONS WITH COUNTRIES AT VERY DIFFERENT
STAGES OF ECONOMIC DEVELOPMENT AND INDUSTRIAL CAPACITY
WHICH LEADS THE PARTIES TO EXPECT THAT A CUSTOMS UNION
CAN BE ESTABLISHED IN A REASONABLE LENGTH OF TIME WITHIN
THE MEANING OF ARTICLE XXIV OF THE GENERAL AGREEMENT.

F) WHAT SPECIFIC STEPS WILL BE TAKEN BY THE PARTIES
IN WHAT TIME FRAME TO ASSURE THAT THE EXTERNAL TARIFFS
AND OTHER REGULATIONS OF COMMERCE UNDER A CUSTOMS UNION
AGREEMENT (OR AN INTERIM AGREEMENT) WILL NOT BE MORE
RESTRICTIVE THAN THOSE WHICH EXISTED PRIOR TO THE FORMATION
OF SUCH A UNION (OR INTERIM AGREEMENT)?

II. ARTICLE 3

A) WHAT WAS THE TOTAL VALUE OF IMPORTS BY THE EC
OF NINE FROM CYPRUS FOR EACH OF THE TWO MOST RECENT YEARS
FOR WHICH TRADE STATISTICS ARE AVAILABLE? WHAT ARE THE
COMPARABLE FIGURES FOR IMPORTS OF CYPRUS FROM THE EC?

B) WHAT VALUE AND PERCENTAGE OF THESE IMPORTS ARE
1) INDUSTRIAL PRODUCTS AND 2) AGRICULTURAL PRODUCTS?
WHAT ARE THE VALUES OF CITRUS IMPORTED BY THE EC FROM
CYPRUS AND WHAT PERCENTAGE DO THESE REPRESENT OF 1) TOTAL
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EC CITRUS IMPORTS AND 2) EC IMPORTS OF CITRUS UNDER
PREFERENTIAL TARIFF TREATMENT ACCORDED BY OTHER TRADE
AGREEMENTS? WHAT PROPORTION OF EC IMPORTS OF CITRUS FROM
CYPRUS WILL RECEIVE SPECIAL TREATMENT IN THE UK AND
IRELAND UNTIL JUNE 30, 1977? WILL THIS SPECIAL TREATMENT
EXTEND BEYOND APPLYING THOSE PREFERENTIAL CUSTOMS DUTIES
IN FORCE AS OF 1973?

C) IN THE FIRST STAGE OF THE AGREEMENT, WHAT VALUE AND PERCENTAGE OF 1) IMPORTED INDUSTRIAL PRODUCTS AND 2) IMPORTED AGRICULTURAL PRODUCTS WILL BE FREE TO ENTER THE EC FROM CYPRUS AND ENTER CYPRUS FROM THE EC WITHOUT PAYMENT OF DUTIES OR SUBJECT TO OTHER RESTRICTIVE REGULATIONS OF COMMERCE? WHAT VALUE AND PERCENTAGE OF 1) INDUSTRIAL AND 2) AGRICULTURAL TRADE BETWEEN THE PARTIES WILL BE SUBJECT TO PREFERENTIAL TARIFFS?

III. ARTICLE 7 AND THE PROTOCOL

A) SINCE CYPRUS DOES NOT PRODUCE A WIDE VARIETY OF PARTS AND COMPONENTS, FINISHED GOODS PRODUCED IN CYPRUS WILL BE REQUIRED TO EITHER RELY ON SOURCING FROM THE EC OR WILL NOT BE ELIGIBLE FOR ORIGIN TREATMENT. DO THE

PARTIES TO THIS AGREEMENT HAVE ANY ESTIMATES AS TO THE EXTENT CYPRIOT PRODUCERS WILL SWITCH SOURCING FROM NON-MEMBERS TO THE EC AS A RESULT OF THE RESTRICTIVE RULES OF ORIGIN? ARE ANY ESTIMATES AVAILABLE AS TO THE EXTENT FINISHED GOODS PRODUCED IN CYPRUS WILL NOT BE ELIGIBLE FOR PREFERENTIAL TARIFF STATUS WHEN EXPORTED TO THE EC BECAUSE OF THE STRINGENT LIMITATIONS ON USAGE OF NON-ORIGIN SOURCING POSED BY THESE RULES?

B) WHAT MEASURES MIGHT BE TAKEN TO PREVENT ADVERSE EFFECTS ON TRADE IN PARTS AND COMPONENTS FROM THIRD COUNTRY SUPPLIERS AND THUS TO COMPLY WITH GATT ARTICLE XXIV 5(B)?

C) HOW DO THE RULES OF ORIGIN UNDER THIS AGREEMENT DIFFER FROM THOSE OF OTHER C ASSOCIATION AGREEMENTS? WHAT PURPOSE IS SERVED BY THESE DIFFERENCES?
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D) IN THE CASE OF COMESTIBLE AND OTHER PRODUCTS, IT MAY BE VERY DIFFICULT OR WHOLLY IMPRACTICAL FOR PRODUCERS TO PHYSICALLY SEGREGATE ORIGIN FROM NON-ORIGIN MATERIALS. IN THE CASE OF LIQUID CHEMICALS, FOR EXAMPLE, MATERIALS ARE OFTEN STORED IN LARGE CONTAINERS TO WHICH FRESH SUPPLIES ARE ADDED FROM TIME TO TIME, AND THE PROVISION OF SEPARATE CONTAINERS FOR ORIGIN AND NON-ORIGIN MATERIALS WOULD NOT BE PRACTICABLE.

IS IT THE INTENTION OF THE PARTIES TO THE AGREEMENT TO ALLOW PRODUCERS TO MEET THE RULES OF ORIGIN REQUIREMENTS ON THE BASIS OF SEGREGATION OF INVENTORY RECORDS AND/OR USE OF PROPORTIONAL ACCOUNTING METHODS REFLECTING THE SOURCES OF TOTAL PURCHASES OF INPUTS OVER SPECIFIED

PERIODS--ALLOWING THEREBY FOR THE PRACTICABLE USE OF NON-
ORIGIN MATERIALS UNDER THE EC-CYPRUS
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